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By: Mark W. Catanzaro, Esquire (MWC 7126)  
Attorney for Defendant, Richard Pepsny

**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
NEWARK VICINAGE  
HONORABLE WILLIAM G. BASSLER**

WALSH SECURITIES, INC., :  
Plaintiff, : Civil Action No. 97cv3496 (WGB)  
vs. :  
CRISTO PROPERTY :  
MANAGEMENT, LTD., a/k/a : AFFIDAVIT OF  
G.J.L. LIMITED, et al, : JEROME A. BALLAROTTO  
Defendants. :

STATE OF NEW JERSEY )  
ss:  
COUNTY OF MERCER )

I, Jerome A. Ballarotto, being of full age, deposes and says:

1. I am an attorney at law licensed to practice in the State  
of New Jersey and I am a member in good standing of the bar of this

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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEW JERSEY  
NEWARK VICINAGE  
HONORABLE WILLIAM G. BASSLER**

WALSH SECURITIES, INC.,	:	
Plaintiff,	:	Civil Action No. 97cv3496 (WGB)
vs.	:	
CRISTO PROPERTY	:	
MANAGEMENT, LTD., a/k/a	:	CERTIFICATION OF SERVICE
G.J.L. LIMITED, et al,	:	
Defendants.	:	

Aline Floyd, of full age, makes the following certification:

1. I am a secretary employed by the Law Firm of Jerome A. Ballarotto, attorney for the defendant, Richard Pepsny in the within action.

2. On January 29, 1998, I forwarded via regular First Class mail, postage pre-paid to the Clerk, U.S. District Court, Martin

Luther King, Jr. Federal Building & U.S. Courthouse, 50 Walnut Street, Newark, New Jersey, an original and one copy of the Affidavit of Jerome A. Ballarotto and Certification of Service.

3. On January 29, 1998, I forwarded via regular First Class Mail, postage pre-paid, a copy of the Affidavit of Jerome A. Ballarotto and Certification of Service to the following:

Honorable Dennis M. Cavanaugh  
United States Magistrate Judge  
Martin Luther King, Jr.  
Federal Building & U.S. Courthouse  
50 Walnut Street  
Room 2060  
Newark, New Jersey 07101

Honorable William G. Bassler  
United States District Judge  
Martin Luther King, Jr.  
Federal Building & U.S. Courthouse  
50 Walnut Street  
Room 5060  
Newark, New Jersey 07101

Robert A. Magnanini, Esquire  
Latham & Watkins  
One Newark Center, 16<sup>th</sup> Floor  
Newark, New Jersey 07101-3174

Michael Washor, Esquire  
275 Madison Avenue  
10<sup>th</sup> Floor  
New York, New York 10016

Michael Schottland, Esquire  
36 W. Main Street  
Freehold, NJ 07728

Ronald Lee Reisner, Esquire  
Drazin and Warshaw  
26 Reckless Place  
P.O. Box 8909  
Red Bank, NJ 07701-8909

court and have been retained to represent Richard Pepsny.

2. This affidavit is submitted in support of defendant Richard Pepsny's request to join the motions filed by defendants Stanley Yacker, Cristo Property Management, Ltd., DEK Homes of New Jersey, Inc., Oakwood Properties, Inc., and William J. Kane in Walsh Securities, Inc. v. Cristo Property Management, et al, Civil Action No. 97-3496(WGB), pending the resolution of a parallel criminal proceeding, described herein.

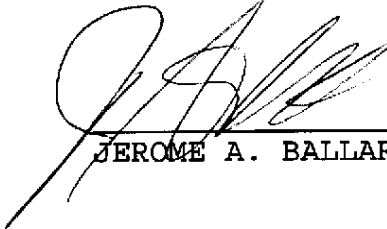
3. I was retained by Mr. Pepsny to represent him in a criminal investigation currently being conducted by the United States Attorney's Office for the District of New Jersey. I have been informed by Assistant United States Attorney Marc W. Farley, Deputy Chief of the Fraud and Public Protection Division, that the government is presently investigating over two hundred real estate transactions which took place in the State of New Jersey, to determine whether a fraud has been committed by any of the parties involved in those transactions.

4. Mr. Farley has informed me that Richard Pepsny is a subject of this criminal investigation.

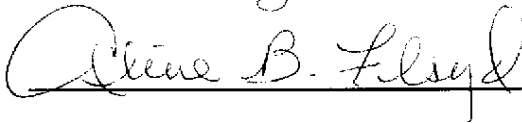
5. I am aware that federal law enforcement authorities have executed numerous search warrants in an effort to further it's investigation concerning these matters.

6. On July 17, 1997, Walsh Securities filed a civil complaint naming, among others, defendant Richard Pepsny as a defendant, the allegations of which complaint mirror the factual allegations surrounding the criminal investigation presently being

conducted by the United States Attorney's Office. On November 7, 1997, Walsh Securities filed an amended complaint naming eight (8) additional defendants. On December 18, 1997, Richard Pepsny filed an Answer with Affirmative Defenses.

  
JEROME A. BALLAROTTO

Sworn and subscribed to  
before me this 24<sup>th</sup> day  
of January, 1998.



**ALINE B. FLOYD**  
A Notary Public of New Jersey  
My Commission Expires June 24, 2001

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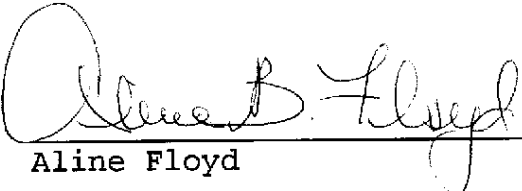
Coastal Title Insurance  
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Freehold, NJ 07728

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Teaneck, NJ 07666

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2 Maryland Drive  
Jackson, New Jersey 08527

I certify that the foregoing statements made by me are true.  
I am aware that if any of the foregoing statements made by me are  
willfully false, I am subject to punishment.

Dated: January 29, 1998

  
Aline Floyd